

AMENDED IN SENATE APRIL 21, 2004

SENATE BILL

No. 1322

Introduced by Senator Denham

February 17, 2004

An act to amend Sections 66025.6, 69433.4, 69750, 69750.3, 69750.5, 69750.7, ~~69751, 69751.3, and 69751.5 of, and to add Section 69751.4 to, and 69751 of, to add Section 69751.4 to, and to repeal and add Section 69751.3 of,~~ the Education Code, and to amend Section 981.8 of the Military and Veterans Code, relating to veterans.

LEGISLATIVE COUNSEL'S DIGEST

SB 1322, as amended, Denham. Veterans: student financial aid.

(1) Existing law, until January 1, 2007, grants to qualifying members of the National Guard, the State Military Reserve, and the Naval Militia an entitlement to academic leave when active duty, as defined, interrupts undergraduate college attendance for the purpose of pursuing an undergraduate degree.

This bill would extend the duration of this entitlement until January 1, 2012. The bill would also extend this entitlement to members of the National Guard, the State Military Reserve, and the Naval Militia who are graduate students or who are enrolled in or who have completed a program of instruction in a vocational diploma program, as defined, where enrollment qualifies a student for participation in the Federal Family Education Loan Program or any loan program approved by the Student Aid Commission.

(2) Existing law, known as the Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Act, establishes the Cal Grant A and B entitlement awards, the California Community College Transfer Entitlement awards, the Competitive Cal Grant A and

B awards, the Cal Grant C awards, and the Cal Grant T awards under the administration of the Student Aid Commission, and establishes eligibility requirements for awards under these programs for participating students attending qualifying institutions. Among other things, the Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Act requires, until January 1, 2007, that a recipient of a Cal Grant award who is a member of the National Guard, the State Military Reserve, or the Naval Militia on active duty, as defined, who is obliged to withdraw from his or her studies because of that active duty, and who later resumes those studies no later than one year after completing that active duty, does not forfeit either any of the monetary value of the Cal Grant award or any of his or her period of eligibility for that award.

This bill would extend the duration of this requirement until January 1, 2012.

(3) Existing law establishes, commencing with the 2004–05 fiscal year, and ending with the 2006–07 fiscal year, the National Guard Assumption Program of Loans for Education, for qualifying members of the National Guard, the State Military Reserve, and the Naval Militia as defined, who seek, or who have completed, baccalaureate degrees at institutions of higher education within this state, who receive a loan under a designated loan program, and who complete a certain period of service as a qualifying members. Under the National Guard Assumption Program of Loans for Education, a qualifying member is eligible to receive up to \$11,000 in loan assumption payments if he or she completes up to 4 years of qualifying service.

~~This bill would extend the National Guard Assumption Program of Loans for Education until the 2012–13 fiscal year. The bill would authorize qualifying members of~~ *instead provide that the program is established to provide an incentive for persons to enlist or reenlist in the National Guard, the State Military Reserve, and or the Naval Militia. The bill would authorize persons who otherwise qualify for participation in the program, and who are enrolled in, or have completed, a program of study in a qualifying vocational diploma program, to participate in the program. The*

The bill would require the Student Aid Commission to report annually to the Legislature regarding the total number of participants in the program, as well as the number of participants who receive a loan assumption benefit, classified by payment year, and categorized by age, ethnicity, and gender. The bill would require the Bureaus of State Audits, in consultation with the Military Department and the Student

Aid Commission, to evaluate the programs discussed above. The bill would require that this evaluation be submitted, in writing, to the Director of Finance and the Legislature no later than July 1, 2006.

The bill would specify that, in any fiscal year, the commission may not issue more than the number of warrants that are authorized by the Governor and the Legislature in the annual Budget Act for the assumption of loans under this bill.

(4) Existing law, in effect until January 1, 2007, requests the Office of the Adjutant General to make copies of the enrollment fee waiver application of the Board of Governors of the California Community Colleges and the Free Application for Federal Student Aid (FAFSA) available to each member of the California National Guard, the State Military Reserve, and the Naval Militia who does not have a baccalaureate degree. Existing law also requests the Office of the Adjutant General to assist these persons in completing these forms, as needed.

This bill would extend the operation of the provisions containing these requests until January 1, 2012.

~~(5) Existing law establishes the California Postsecondary Education Commission for, among other purposes, the collection of data pertinent to the planning and coordination of the higher education system of the state.~~

~~The bill would require the California Postsecondary Education Commission, in consultation with the Military Department and the Student Aid Commission, to evaluate the programs discussed above. The bill would require that this evaluation be submitted, in writing, to the Director of Finance and the Legislature no later than September 30, 2010.~~

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 66025.6 of the Education Code is
2 amended to read:

3 66025.6. (a) As used in this section, the following terms have
4 the following meanings:

5 (1) “Active duty” means either of the following:

6 (A) Active federal service or full-time national guard duty on
7 behalf of the United States of America either voluntarily, or when

1 involuntarily ordered to duty by appropriate authorities under Title
2 10 or Title 32 of the United States Code during a period of armed
3 conflict, mobilization, contingency operations, or other crisis.

4 (B) (i) Active military duty in the service of the state when the
5 Governor has issued a proclamation of a state of insurrection
6 pursuant to Section 143 of the Military and Veterans Code or a
7 proclamation of a state of emergency; or

8 (ii) When the National Guard is on active duty pursuant to
9 Section 146 of the Military and Veterans Code, or is called to active
10 service or duty under Chapter 7.5 (commencing with Section 400)
11 of Part 1 of Division 2 of the Military and Veterans Code, and a
12 certificate of satisfactory service, or an equivalent thereof, is
13 issued by the Military Department.

14 (2) “Qualifying member” means a person who:

15 (A) Is a resident, as defined in Section 68017.

16 (B) Is currently an active member of, and has satisfactorily
17 served for at least one year in, the California National Guard, the
18 State Military Reserve, or the Naval Militia, and maintains
19 satisfactory service throughout the period that he or she receives
20 consideration pursuant to this section, or throughout the period
21 that his or her student loan payments are assumed under Article
22 12.5 (commencing with Section 69750) of Chapter 2 of Part 42,
23 whichever is longer.

24 (C) Has completed a baccalaureate degree, or is currently
25 enrolled, and in good standing, in an undergraduate program of
26 instruction, or has been admitted to a program in which he or she
27 will be enrolled, on at least a half-time basis, at an institution of
28 higher education in this state, or is enrolled *and in good standing*
29 in or has completed a program of instruction in a vocational
30 diploma program as defined in Section 94746 where enrollment
31 qualifies a student for participation in the Federal Family
32 Education Loan Program (20 U.S.C. Sec. 1071 et seq.) or any loan
33 program approved by the Student Aid Commission.

34 (b) (1) Any qualifying member, and any member of the
35 California National Guard, the State Military Reserve, or the
36 Naval Militia who meets the qualifications of subparagraphs (A)
37 and (B) of paragraph (2) of subdivision (a) and who is enrolled,
38 and in good standing in a graduate program of instruction, who
39 undertakes active duty is entitled to an academic leave of absence
40 for any academic session that the person is unable to attend or



complete because he or she is on active duty. It is the intent of the Legislature that a graduate or undergraduate student who is called to active military duty as a member of the California National Guard, the State Military Reserve, or the Naval Militia not be academically penalized as a result of any academic leave of absence that he or she takes in accordance with this paragraph.

(2) The graduation requirements for a qualifying member who, within one year of returning from active duty, resumes his or her studies at the same postsecondary educational institution shall be, to the extent that it is feasible, the same as the graduation requirements at the time the qualifying member initially enrolled.

(c) The Military Department shall determine whether an individual meets the requirements of “active duty” and “qualifying member,” as they are set forth in subdivision (a). The department shall issue a certificate to individuals who meet those requirements.

(d) This section shall remain in effect only until January 1, 2012, and as of that date is repealed, unless a later enacted statute that is enacted before January 1, 2012, deletes or extends that date.

SEC. 2. Section 69433.4 of the Education Code is amended to read:

69433.4. (a) Notwithstanding any other provision of law, a recipient of a Cal Grant award who is a member of the National Guard, the State Military Reserve, or the Naval Militia on active duty within the meaning of Section 66025.6, who is obliged to withdraw from his or her studies because of that active duty, and who later resumes those studies no later than one year after completing that active duty, does not forfeit either any of the monetary value of the Cal Grant award or any of his or her period of eligibility for that award.

(b) This section shall remain in effect only until January 1, 2012, and as of that date is repealed, unless a later enacted statute that is enacted before January 1, 2012, deletes or extends that date.

SEC. 3. Section 69750 of the Education Code is amended to read:

69750. Commencing with the 2004–05 fiscal year, the National Guard Assumption Program of Loans for Education is established ~~for qualifying members of~~ *to provide an incentive for persons to enlist or reenlist in* the National Guard, the State Military Reserve, or the Naval Militia within the meaning of

1 Section 66025.6 who seek, or who have completed, degrees at
2 institutions of higher education within this state, or who are
3 enrolled in or have completed a program of instruction in a
4 vocational diploma program, as defined in Section 94746, where
5 enrollment qualifies a student for participation in the Federal
6 Family Education Loan Program (20 U.S.C. Sec. 1071 et seq.) or
7 any loan program approved by the Student Aid Commission for
8 this purpose.

9 SEC. 4. Section 69750.3 of the Education Code is amended
10 to read:

11 ~~69750.3. (a) Any qualifying member of the National Guard,~~
12 ~~the State Military Reserve, or the Naval Militia enrolled in an~~
13 ~~institution of higher education or a vocational diploma program as~~
14 ~~defined in Section 94746 participating in the loan assumption~~
15 ~~program set forth in this article is eligible to enter into an~~
16 ~~agreement for loan assumption, to be redeemed pursuant to~~
17 ~~Section 69750.5. In order to be eligible to enter into a loan~~
18 ~~assumption agreement, an applicant shall satisfy both of the~~
19 ~~conditions specified in subdivision (b).~~

20 ~~(b) (1) The applicant is currently enrolled in, or has been~~
21 ~~admitted to, a program in which he or she will be enrolled in at least~~
22 ~~10 semester units or the equivalent. The applicant shall agree to~~
23 ~~maintain not less than 10 semester units per semester, or the~~
24 ~~equivalent, and to maintain satisfactory academic progress.~~

25 ~~(2)~~

26 *69750.3. (a) A person who meets all of the following*
27 *conditions is eligible to enter into an agreement for loan*
28 *assumption, to be redeemed pursuant to Section 69750.5:*

29 *(1) The applicant agrees to enlist, or reenlist, in the National*
30 *Guard, the State Military Reserve, or the Naval Militia.*

31 *(2) The applicant is enrolled in an institution of higher*
32 *education or a vocational diploma program, as defined in Section*
33 *94746, that participates in the loan assumption program set forth*
34 *in this article.*

35 *(3) In order to meet the costs associated with obtaining a degree*
36 *or enrollment in a qualified vocational diploma program as*
37 *defined in Section 94746, the applicant has received, or is*
38 *approved to receive, a loan under one or more of the following*
39 *designated loan programs:*

(A) The Federal Family Education Loan Program (20 U.S.C. Sec. 1071 et seq.).

(B) Any loan program approved by the Student Aid Commission.

(e)

(b) A person participating in the program pursuant to this article shall not be eligible to enter into more than one agreement under this article.

SEC. 5. Section 69750.5 of the Education Code is amended to read:

69750.5. The Student Aid Commission shall commence loan assumption payments, as required by Section 69750.7, upon receipt of a certificate from the Military Department verifying that the applicant has *completed the enlistment and military service requirements, and upon determination that the applicant has otherwise* met the requirements of the loan assumption agreement and all other conditions of this article.

SEC. 6. Section 69750.7 of the Education Code is amended to read:

69750.7. The terms of the loan assumption agreements granted under this article shall be as follows, subject to the specific terms of each warrant:

(a) After a program participant has completed one year of ~~additional service as~~ *service as, or in the case of a participant who is eligible because he or she has agreed to reenlist, one year of additional service as*, a qualifying member within the meaning of Section 66025.6, the Student Aid Commission shall assume up to two thousand dollars (\$2,000) of the participant's outstanding liability, related to qualifying undergraduate or vocational education, under one or more of the designated loan programs.

(b) After a program participant has completed two consecutive years of ~~additional service as~~ *service as, or in the case of a participant who is eligible because he or she has agreed to reenlist, two consecutive years of additional service as*, a qualifying member within the meaning of Section 66025.6, the commission shall assume up to an additional three thousand dollars (\$3,000) of the participant's outstanding liability, related to qualifying undergraduate or vocational education, under one or more of the designated loan programs, for a total loan assumption of up to five thousand dollars (\$5,000).

1 (c) After a program participant has ~~completed~~ *completed three*
2 *consecutive years of service as, or in the case of a participant who*
3 *is eligible because he or she has agreed to reenlist,* three
4 consecutive years of additional service as, a qualifying member
5 within the meaning of Section 66025.6, the commission shall
6 assume up to a maximum of an additional three thousand dollars
7 (\$3,000) of the participant's outstanding liability, related to
8 qualifying undergraduate or vocational education, under one or
9 more of the designated loan programs, for a total loan assumption
10 of up to eight thousand dollars (\$8,000).

11 (d) After a program participant has completed four consecutive
12 years of ~~additional service as~~ *service as, or in the case of a*
13 *participant who is eligible because he or she has agreed to reenlist,*
14 *four consecutive years of additional service as,* a qualifying
15 member within the meaning of Section 66025.6, the commission
16 shall assume up to a maximum of an additional three thousand
17 dollars (\$3,000) of the participant's outstanding liability, related
18 to qualifying undergraduate or vocational education, under one or
19 more of the designated loan programs, for a total loan assumption
20 of up to eleven thousand dollars (\$11,000).

21 SEC. 7. Section 69751 of the Education Code is amended to
22 read:

23 69751. (a) The Student Aid Commission shall administer
24 this article, and, in consultation with the Military Department,
25 shall adopt rules and regulations for that purpose. The rules and
26 regulations shall include, but need not be limited to, provisions
27 regarding the period of time for which a loan assumption
28 agreement shall remain valid, the reallocation of funds that are not
29 utilized, and the development of projections for funding purposes.
30 The commission shall solicit the advice of representatives from
31 postsecondary education institutions regarding the proposed rules
32 and regulations. *The commission shall adopt initial regulations for*
33 *the program within six months of the effective date of the initial*
34 *appropriation funding the program.*

35 (b) The Student Aid Commission shall work in conjunction
36 with lenders participating in federal loan programs to develop a
37 streamlined application process for participation in the program
38 set forth in this article.

39 ~~SEC. 8. Section 69751.3 of the Education Code is amended~~
40 ~~to read:~~

~~69751.3. (a) On or before July 1, 2006, the Office of the Adjutant General shall submit a report to the Legislature on the effectiveness of the National Guard Assumption Program of Loans for Education established by this article.~~

~~(b) The commission~~

SEC. 8. Section 69751.3 of the Education Code is repealed.

~~69751.3. On or before July 1, 2006, the Office of the Adjutant General shall submit a report to the Legislature on the effectiveness of the National Guard Assumption Program of Loans for Education established by this article.~~

SEC. 8.5. Section 69751.3 is added to the Education Code, to read:

69751.3. (a) The Student Aid Commission shall report annually to the Legislature regarding program participation, including, but not necessarily limited to, both of the following, as categorized on the basis of age, ethnicity, and gender:

(1) The total number of participants in the program established by this article.

(2) The number of participants who receive a loan assumption benefit, classified by payment year.

(b) The Bureau of State Audits, in consultation with the Military Department and the Student Aid Commission, shall evaluate the operation of the benefits and programs established pursuant to this article, as well as those benefits established pursuant to Section 66025.6. This evaluation shall be submitted, in writing, to the Director of Finance and the Legislature no later than July 1, 2006.

SEC. 9. Section 69751.4 is added to the Education Code, to read:

69751.4. Notwithstanding any other provision of law, in any fiscal year, the commission shall issue no more than the number of warrants that are authorized by the Governor and the Legislature in the annual Budget Act for the assumption of loans under this article.

~~*SEC. 10. Section 69751.5 of the Education Code is amended to read:*~~

~~*69751.5. This article shall become inoperative on July 1, 2012, and, as of January 1, 2013, is repealed, unless a later enacted statute that is enacted before January 1, 2013, deletes or extends the date on which it becomes inoperative and is repealed.*~~

1 ~~SEC. 11.~~

2 *SEC. 10.* Section 981.8 of the Military and Veterans Code is
3 amended to read:

4 981.8. (a) The Office of the Adjutant General is requested to
5 annually make both of the following available to each member of
6 the California National Guard, the State Military Reserve, and the
7 Naval Militia who does not have a baccalaureate degree:

8 (1) A copy of the enrollment fee waiver application of the
9 Board of Governors of the California Community Colleges.

10 (2) A copy of the Free Application for Federal Student Aid
11 (FAFSA).

12 (b) The Office of the Adjutant General is requested to provide
13 assistance as necessary to help the members complete the forms
14 made available to them under subdivision (a).

15 (c) This section shall remain in effect only until January 1,
16 2012, and as of that date is repealed, unless a later enacted statute
17 that is enacted before January 1, 2012, deletes or extends that date.

18 ~~SEC. 12. The California Postsecondary Education~~
19 ~~Commission, in consultation with the Military Department and the~~
20 ~~Student Aid Commission, shall evaluate the operation of the~~
21 ~~benefits and programs established pursuant to Section 66025.6 of,~~
22 ~~and Article 12.5 (commencing with Section 69750) of Chapter 2~~
23 ~~of Part 42 of, the Education Code. This evaluation shall be~~
24 ~~submitted, in writing, to the Director of Finance and the~~
25 ~~Legislature no later than September 30, 2010.~~

